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Office of the
Assistant
Secretary of
Administration

USDA Management Report for 1986



Table of Contents

Recordkeeper for Thrift Savings Plan	4	Shared Access Office Opens	10
USDA's Future Through the Eyes of IRM	4	IRM Self-Reviews	10
CEPO: The Institutionalization of Common Sense	4	Shared Warehousing	10
New Training Approach	5	Unemployment Compensation	11
Improvements in EEO and Civil Rights	6	Productivity Improvement	11
Travel Management	7	Employee Appeals	12
Telecommunications Exposition	8	Trail Riders Take Pride in America	12
Paperless Property System—A Reality	8	Consolidated Imprest Fund	12
Performance Management System	8	Personnel Management	12
Internal (Management) Controls	8	Information Systems	12
New Data Communications Protocol Saves Dollars	9	Motor Vehicle Reforms	13
Taking Charge of Space	9	Facilities Management	13
Handicapped Employee Program	9	Rehabilitation/Rehire Program	14
		NFC Systems Access	14
		Debt Management	15
		NFC Honored	15
		Cross-Servicing	15
		CAS Enhancements	16
		Cash Management	16
		Payroll/Personnel	16
		Enhancements	16
		Voice Mail Pilot	17
		Nonprocurement Debarment and Suspension	17
		Information Locator System	17
		Streamlining Federal Assistance	17
		Salary Offset	18
		Telecommunications Service Office	18
		DEPNET	18

Management improvement continues to be one of the Department's priorities. Departmental leaders and management officials are committed to modernize and improve USDA operations to effect the lowest costs while, at the same time, providing the highest benefits.

In 1985, a five-point management plan was developed in the Office of the Secretary to be used as the framework for these management efforts. The plan addressed dollars, information, structure, people, and the management process itself. It became the umbrella for developing a focus to specific management projects but retained flexibility for agencies and staff offices to develop their own initiatives and projects.

The plan was directed toward saving money and improving the efficiency of program delivery for the period 1985-88. The articles set forth in this USDA Management Report discuss the accomplishments pertaining to last year's management plan. These accomplishments show that USDA is working hard to be the best managed in the Federal Government.

As we move into updating the plan for 1987, the cumulative efforts of agency policymakers, the USDA Management Council, and other program support personnel will continue to emphasize:

- Reducing program support costs through productivity improvements;
- Improving management of USDA's real property, facilities, and procurement programs;
- Recognizing the value of the dedication and competence of USDA employees and increasing productivity by enhancing their skills;
- Increasing the use of automation; and
- Improving financial management throughout the Department.



JOHN J. FRANKE, JR.
Assistant Secretary
for Administration

Recordkeeper for Thrift Savings Plan

In October, the National Finance Center (NFC) was selected to undertake the task of creating a computerized recordkeeping system for over 2 million Federal employees who are expected to participate in the match-funded, tax-deferred Thrift Savings Plan (TSP). The plan is a feature of the Federal Employees Retirement System signed into law last June.

Automatically eligible for participation in TSP are employees first hired into Federal service on or after January 1, 1984, and anyone rehired since that date after a service break of 1 year or more. These employees may designate the amount of their contributions to TSP effective April 1, 1987. Other Federal employees can also elect to participate in TSP at that time.

Roger W. Mehle, Chairman of the Federal Retirement Thrift Board, stated that the NFC was chosen to design this new system because of its familiarity with Government payments, its large staff of skilled systems analysts and programmers, and its promised responsiveness to the Administration's intense focus on meeting the tight deadline.

Sharon V. Richardson, former Chief of the Accounting Systems Division, NFC, heads the Thrift Savings Plan staff.

USDA's Future Through the Eyes of IRM

For the benefit of the uninitiated, Information Resources Management (IRM), is a discipline that concerns itself with the management of information and other information resources—all of the current and evolving technological tools (computers, communications, office automation, and so forth) that are used and useful in handling information.

For over 4 years now, USDA agencies have been collaborating (quietly and behind the scenes) in a Departmentwide strategic planning process for IRM. We say "behind the scenes" because IRM, by its very nature, is a support function. But almost without exception, USDA agencies and the entire Department depend on the effective management of information resources to support USDA program missions and assure efficient delivery of services to the Nation's rural community.

Long-Range Planning

Strategic planning at USDA for IRM calls for two levels of 5-year plans—the agency long-range plans, produced by individual USDA agencies, and the USDA Long-Range IRM Plan, produced by OIRM for the Department.

In 1986, the USDA Long-Range IRM Plan for FY 86-90 was published by the Department to provide a

Departmental perspective and compendium of 30 USDA agency IRM plans for this same period. Within the covers of this USDA plan, the past, present, and future of USDA, as seen through the eyes of information resources managers throughout the Department are revealed. The past, present (in the context of the USDA environment), and future trends of emerging IRM technologies are also summarized.

Roadmap to the Future

The IRM direction (goals and strategies) and planned accomplishments (objectives) of the Department and its agencies are laid out to form a road map to the future.

A supplement to this USDA plan, the Agency IRM Plan Profiles—also published in 1986—draws a thumbnail sketch of each of the 30 agency IRM plans used as a basis for the "big" USDA plan. Each 1-page profile captures some of the most important information from a single agency IRM plan, covering past, present, and future like the USDA plan, but individualized to each agency. Future scenarios of their automated field offices, drawn by four USDA agencies, bring the role of IRM and its technologies to life in the workplaces of USDA.

CEPO: The Institutionalization of Common Sense

If the Government advertised, the ad might read: "Complete office furniture for 400 people in like-new condition. Available right now at 50-75% off retail. Delivery guaranteed within 30 days or less! Your money back if not satisfied! Visit our warehouse at 49 L Street any weekday between 9 and 5. For personalized consultation call 447-3910."

Since the Centralized Excess Property Operation, better known as CEPO, opened its doors for business at the present location in Southeast Washington, the utilization of excess personal property by people in the Department has increased dramatically.



Signing the Reimbursable Agreement are John Franke, Assistant Secretary for Administration, USDA, and Frank Cavanaugh, Executive Director, Thrift Board

According to Assistant Secretary John Franke, "All we did was institutionalize common sense. We, as well as other Federal agencies, have warehouses and storage spaces all over the country with excess property. We needed some risktakers who could see some value in this property, could find a way to market it, and in plain terms have a garage sale every day!"

Humble Beginnings

From humble beginnings in the sub-basement of the South Building, CEPO began a program to repair, refinish, and rehabilitate excess furniture and make it available to the agencies for reuse at a fraction of the cost of similar new furniture. After some initial skepticism on the part of a few agencies (after all "Hadn't this been tried before?"), and a few growing pains on the part of CEPO, the "rehab" program met with success. CEPO soon became so successful it was necessary to relocate operations to the warehouse it now occupies at 49 L Street, S.E., Washington, D.C.

CEPO's first full year of operation was fiscal year 1985. During that time,

CEPO contributed to a substantial increase in the reutilization of excess personal property by the Department.

Cost Avoidance

CEPO's activity is measured by "cost avoidance"—the difference between what an item costs new and the costs associated with rehabilitation. During fiscal year 1985, CEPO achieved a net cost avoidance (i.e., total cost avoidance less operating costs) of \$392,756. As a result of an aggressive marketing campaign on the part of CEPO and a greater awareness by the agencies of the use and value of excess personal property, CEPO reported an FY 1986 net cost avoidance of \$623,123. Activity during the first quarter of this fiscal year leads CEPO to believe that FY 1987 will show similar growth.

Participation in CEPO's rehab program can enable all agencies to stretch their budgets by minimizing the funds spent on furniture and equipment. Contact the folks at CEPO (Telephone 202/447-3910; FTS 447-3910) and let them help you find the property your office needs.

New Training Approach

USDA ushered in a new era of generic training with a special teleconference program that brought together at least 4,000 Department employees at 78 sites across the United States.

"This is basic introduction to an important management topic that every manager needs," said John J. Franke, Jr., USDA's Assistant Secretary for Administration. "We were successful in getting the same message to a large number of managers at the same time. It's the largest event I know of in the Federal Government."

The "message" and subject of the teleconference was USDA's equal opportunity program for managers and supervisors, an area of management where several employees have filed suits in recent months. Those actions, plus a realization by the agency that new emphasis and information were needed to update field managers throughout the Department, led to the teleconference event.

"Since we have more than 100,000 employees scattered through 17,000 sites across the country and the world, it is difficult to get them the same information with any kind of urgency, importance, or similarity," said Franke. "The live teleconference was the vehicle that could help us get the same information to large numbers of people without the filtering and delay that generally takes place when information is cascaded through an organization."

Planning on a Large Scale

"Cooperation played a major role in the total concept of the teleconference, particularly since 78 sites were involved," indicated Ron Gurley, USDA's Training and Development Chief. "We bought the satellite time and developed the program in-house. But for the downlinks and viewing sites for large numbers of people, we had to gain the cooperation of universities and State agencies. Further, we set up a series of host/facilitators at each site who greeted the participants



Perry Williams checking file cabinets for rehabilitation by CEPO.

and led the session at each site. Often they were non-USDA people," said Gurley.

In all, 78 official sites were set up for viewing the program. But unofficial sites sprang up, particularly in isolated areas where miles of snow-covered mountain roads keep employees apart. Employees with satellite dishes were able to tap into the program and opened their homes to other employees as viewing sites. One enterprising employee put a dish on the back of his pickup truck and set up a viewing site at a local cafe.

Extensive Program

The training program had several segments around the theme of equal opportunity. The 4-hour session featured an appearance by *Agriculture Secretary Lyng*, a panel discussion, several presentations, and information about additional resources and followup activities. Scripted, it had the timing and pace of a television production. The event had two breaks scheduled, including one for lunch. Total training time was 3 hours. Costs for each participant ran about \$26.

"The teleconference event had some major advantages for us "in communicating with our employees,"

concluded Gurley. "We could provide some importance and immediacy of the issue to a large number of our managers, bring difficult-to-get high level officials including the Secretary economically and directly to a widely dispersed audience, convey a great deal of information, and provide exactly the same event to a large number of managers."

"Participants had the feeling of a one-to-one communication," Gurley commented, "rather than the typical pass down system of communication where interpretations are made."

Future Use

USDA is currently studying the expansion of generic training in many areas of Department operations, that is, identifying some efficient and cost-effective sources for general clerical and management training across the country to eliminate duplicate training.

"The teleconference technique really has significance in bringing a general management issue to the attention of many across the Department, efficiently and economically," said Franke. "I see us using this as a vehicle for many subjects in the future."

"This is just the beginning event and introduction in equal opportunity training," Gurley noted. "We have several other modules and activities that will be used to follow through with our agency managers, not only in the area of equal opportunity but also with new subjects."

Improvements in EEO and Civil Rights

Progress has been made by USDA to improve the Department's Equal Employment Opportunity (EEO) and Civil Rights (CR) program. The year began with a major effort to revise and update Departmental regulations and to continue streamlining through automation and timely action in relation to the Affirmative Action and Federal Equal Opportunity Recruitment Plans prepared by agencies. These efforts have resulted in more accurate information, timely preparation and submission of plans and reports, and Title VI implementation plans that have greater relevance for current program operations.

Automation

Automation was also a factor in the collaboration of the Food and Nutrition Service (FNS) and Equal Opportunity



On dais, left to right, Ron Gurley, Phil Villa-Lobos (OGPA) Moderator of the teleconference, and Jan Williams, Employee Development Specialist; at the camera Ron Hamilton, Lynn Wyvill, and Warren Phipps.

(EO) staffs in the initiation of a Title VI Complaints Processing Pilot. The pilot program prepared FNS staff to conduct preliminary investigations of program complaints of discrimination at the State and local levels while continuing to maintain oversight authority by EO. When coupled with access to the FNS program complaint data base, the pilot resulted in the elimination of the backlog of prior-year complaints, a reduction in processing time from 170 to 76 days per complaint, and an improved responsiveness to program service recipients.

Management Committed

Of particular significance was Secretary Lyng's June 12, 1986, memorandum on the subject of "Commitment and Accountability for Equal Opportunity and Civil Rights" distributed to all USDA employees and calling for full compliance with nondiscrimination in employment and in the delivery of program services. Under the leadership of *Deputy Secretary Myers*, EO and the Office of Personnel collaborated on the development and conduct of a Departmentwide assessment of the state of civil rights program in the Department. One of the outcomes of the assessment process with agencies has been the creation of a Civil Rights Coordinating Council that is examining civil rights issues and concerns more closely and making recommendations Departmentwide.

Improved Oversight

Throughout the year, the Office of Advocacy and Enterprise committed a greater concentration of its personnel and financial resources to its oversight functions in the field and to the provision of technical assistance and training to enhance USDA agency efforts to improve EEO and CR compliance. To this end, a statewide review of Agricultural Stabilization and Conservation Service (ASCS), Extension Service (ES), Food and Nutrition Service (FNS), and Farmers Home Administration (FmHA) in Arkansas was conducted that included the participation of EO, OP, Minority Research and Teaching Programs,

and Small and Disadvantaged Business Utilization staffs. "Project Excellence," a program of seminars and workshops for women and minorities, was launched and consultation to agencies through newly defined desk officer positions in EO was initiated. The EO/CR Management Council was formally established to ensure active participation of its agency representatives.

Finally, the year's accomplishments were capped by two meetings of the Citizen's Advisory Committee on Equal Opportunity (CACEO). The CACEO meetings, held in St. Louis and Milwaukee, included broad participation of headquarters and field representatives from agencies as well as program constituents in relation to employment and program service delivery issues.

Travel Management

USDA spends more for travel than any other civilian agency within the Federal Government. Travel costs in FY 1986 exceeded \$150 million. In 1984, the Department initiated a USDA Travel Management Improvement Program.

A USDA Travel Management Action Plan is in place and is being tracked, coordinated, and monitored by the Department. This includes a number of initiatives designed to improve travel management as explained below.

Government Transportation System

To enable the Department and its employees/travelers to take full advantage of the Diners Club program, a Government Transportation System (GTS) was needed to complement the individual charge cards. The GTS permits the charging of all common carrier tickets to specific, unchanging agency account numbers; Government Transportation Requests (GTR's) are eliminated; and fully automated billings are paid monthly by the National Finance Center.

The completely automated GTS is currently being used to procure all common carrier tickets from Heritage Travel. CATO is also in the final stages of testing a GTS which was developed by American Airlines. This development will also enable us to expand the GTS to other travel agents since American plans to market the software they developed.

Reduced Costs

The Diners Club travel card program has resulted in significant reductions in outstanding employee travel advances and a reduction in the use of Government Transportation Requests (GTR's). (Travel advances are currently \$8 million, a reduction of 40 percent since June 1984.) The Diners Club program is virtually completed with 40,000 employees now holding cards.

Simplification

The National Finance Center is now redesigning the Travel Authorization, Request for Advance, and Travel Voucher to simplify them. Under legislation effective July 1, 1986, the General Services Administration has issued new regulations which contain the flat-rate concept, simplifying the vouchering process. Thus the Travel Authorization, Request for Advance, and Travel Voucher will also be redesigned to accommodate the new system.

Travel Management Centers

The Federal Travel Management Centers (FTMC's) have proven to be a cost effective, efficient means of arranging employee travel. In order to ensure that all employees and agencies capture the benefits associated with the GSA program, an initiative is being undertaken leading to full participation by field based employees. Availability of the GTS will provide motivation for employees in the field to use the travel agent. Under this system, they receive all the benefits of the charge card without incurring the liability.

Telecommunications Exposition

During November, an exhibition was held on the Departmental Patio that displayed USDA's leadership role in applying state-of-the-art communications technologies to its operations and to the needs of the agricultural community. USDA agencies and staff offices demonstrated various applications using these transmission technologies. Several of the private firms that we rely on to provide these services participated in the exhibition, which included two live operating satellite terminals.

Paperless Property System—A Reality

After almost 2 years of development, the National Finance Center (NFC) went "online" with the Department's new property system in fiscal year 1986. And, other Federal agencies were waiting in line to sign cross-servicing agreements to use the new system.

Property managers, fiscal officers, programmers, and analysts combined all their various talents to make the vision of a paperless property management system a reality. All transactions involving property, from purchases to disposal, can now be made by whoever needs to record them from a terminal anywhere in the country. Reports of excess property can be electronically transmitted to the Departmental Excess Personal Property Coordinator and then on to the General Services Administration

(GSA). Also, anyone with access to NFC can screen property that is available as excess throughout the Government.

Another key feature of the system is the capability to retrieve management reports online. Using the FOCUS software at NFC, it is also possible to format reports unique to an agency's need. This will greatly improve the usefulness of information in the PROP system. This system is regarded by GSA and other Departments as the most effective and comprehensive personal property system in the Federal Government.

Performance Management System

The new USDA Performance Management System (PMS) has been implemented for employees in the Senior Executive Service, and implementation for all other employees has begun and will be phased in over the next 2 years. Included in PMS are provisions on performance appraisal, incentive awards, GM performance awards, and quality step increases for GS employees.

Employee Recognition

PMS provides new avenues to recognize and reward quality performance for USDA employees. USDA proposed regulations effecting performance awards for GS and Prevailing Rate employees have been drafted for agency comment. Pending issuance of final regulations by the Office of Personnel Management, this program will be implemented as part

of PMS. The pay for performance aspect of PMS will not only contribute to increased employee recognition and rewards but will also increase productivity and organizational effectiveness.

Employee Participation

One feature of PMS is the requirement that employees participate in the establishment of performance plans. Joint participation in performance planning will result in better communication between employee and supervisor as well as a better understanding of job expectations by the employee. Another requirement of the system is higher level review and approval of performance plans and ratings. This requirement, as well as employee participation in the process, will result in increased interaction between managers and employees at all levels of the organization, improved employee morale, and greater job satisfaction.

Cost Savings

The development of one uniform PMS covering all groups of employees will result in cost-savings to the Department and improve the efficiency of program delivery in this area. Forms reduction and other simplification measures have resulted in a 62-percent paperwork reduction, as well as a savings in time and resources spent on the process by supervisors and managers.

Internal (Management) Controls

Management Control Guide

In August 1985, the Office of Finance and Management (OFM) led the Federal Government by publishing a new, streamlined Management Control Guide that reduced the volume of OFM-issued management control policies, procedures, forms, questionnaires, etc., from 500 pages to 32, and reduced the paperwork associated with the vulnerability assessment process by 80 percent. These new guidelines were implemented by the agencies in FY 1986. The streamlining process was well received by the agencies and implementation has been highly successful.



1,500 employees and visitors attended the 2-day exposition

Controls Review Team

In April 1986, OFM initiated the use of a Controls Review Team, providing the Department with another tool for oversight of the agencies' management control processes. This team evaluates the effectiveness of agency reported activities to correct their management control problem areas. Thus far, the team has completed "tests" of the Graduate School and the Office of International Cooperation and Development. In-depth management reviews have been conducted which include assisting the Agricultural Research Service and the Animal and Plant Health Inspection Service in developing vulnerability assessments of the Plum Island operation.

The management control program is now institutionalized within the Department. The Office of the Inspector General and the General Accounting Office are both highly supportive of our reports. Improvements continue to be made in timely correction of problems, tracking systems, and updating of reporting formats and elements as required by OMB and USDA management.

Additionally, the Department's fiscal year 1986 Yearend Management Control Report to the President and the Congress, for the first time since

implementation of the Federal Managers' Financial Integrity Act of 1982, gave "reasonable assurance" that the Department complies with the requirements of section 2 of the Act. This was a major achievement for an agency the size and complexity of Agriculture and reflects the positive actions of its managers.

New Data Communications Protocol Saves Dollars

The USDA Fort Collins Computer Center, in cooperation with the Forest Service, developed and implemented a special data communications file transfer protocol that resulted in increased productivity and substantial savings. This new protocol, called "RB," is 300 to 400 percent more efficient than other protocols typically used. RB both improves data movement and decreases costs. There is an estimated cost reduction of over \$2.6 million per year for the Forest Service, plus a one-time cost avoidance of \$780,000.

Improved Productivity

RB also improves people productivity at the field locations, and allows better implementation of agency distributed computer systems. Potentially, this protocol can be adapted and applied to other agencies of Government. In addition, it provides a "positioning" for implementation of the Open Systems Interconnection (OSI) model.

The RB is based on computer-to-computer communications capability. Its efficiency is accomplished by (a) operating in a full duplex mode; (b) being able to send multiple messages; (c) taking advantage of compaction algorithms; (d) being able to block data more efficiently; and (e) supplying better data integrity. Also, in a host environment, computers replace manual functions and more data transfer can occur in nonprime, less costly, time periods. By automating the network access logic, less employee time is required for connecting to the host computers.

Initially, the RB protocol was designed to provide data flow between Data General and Sperry (now

UNISYS) computers. Subsequently, it is being adopted to function with other mini/microcomputers and mainframes as well. RB is envisioned as being an important stepping stone toward the implementation of the higher layers within the OSI Model. Ultimately, this will lead to increased compatibility of information resources for Government agencies utilizing this approach.

Taking Charge of Space

USDA was first in line to sign a formal agreement to take responsibility for day-to-day management of General Services Administration (GSA) leased space. The new Lease Management Delegation Program covering 111 of USDA's 401 leases to GSA space is significant. Some 1.4 million square feet in locations across the country are covered in the agreement.

In locations where USDA is the primary occupant, the delegation allows an onsite USDA "Contracting Officer Representative" (COR) to work directly with building owners rather than having to go to GSA as a middleman. The COR can handle directly such building management matters as heat, phone connections, partitions, maintenance, and minor repairs, and, in general, ensure that the Government receives all the services described in the lease.

Although ultimate responsibility for the buildings rests with GSA, that agency is generally phasing out of the direct operations and maintenance of buildings and turning the responsibility over to their occupants. Now USDA representatives will be able to negotiate with building owners those typically small but important repairs and changes that can make such a difference in operations and employee productivity.

Handicapped Employee Program

In our efforts to recognize employee talent and contributions, a new approach to the National Employ the Handicapped Week was undertaken this year. Not only were outstanding handicapped employees recognized



Authors of the streamlined guide (L to R) Norm Franklin, OFM, Jack Sikora, ASCS, and Jody Firmani, OFM



Left to right: Vince Chaverini, OO; John Myers, Terry Golden, GSA; Frank Gearde, OO, George Marienthal, OASA, USDA; Gary Knoke, OO; John Franke, ASA, USDA; Richard Levin, OO; and William Sullivan, GSA.

but also the supervisors of these employees. This approach enhanced the recognition system not only for these employees but for supervisors that have been supportive of affirmative action in handicapped employment.

Relative to this initiative, a policy statement on Affirmative Action for Handicapped Individuals was issued by the Secretary, stating the Department's position on employment of the handicapped. As a followup to the policy statement, success stories on handicapped individuals have appeared in the *USDA News* and the *Ag Reporter*.

As a joint effort between the Office of Advocacy and Enterprise and the Office of Personnel, an equal opportunity teleconference was held. One feature of the program was affirmative action programs for the handicapped.

The Department has also purchased special equipment for hearing and visually impaired individuals that will be loaned to the agencies, as well as purchasing additional training packages for supervisors and managers that agencies may use.

Shared Access Office Opens

The "Grand Opening" of the Shared Access Office (SAO), located in Room 1525 of the South Building in Washington, D.C., was held on November 20, 1986. *John J. Franke, Jr.*, Assistant Secretary for Administration, performed the symbolic ribbon cutting.

The SAO is utilized to conduct user training of all kinds as well as to provide demonstrations of NFC's electronic access systems. Additionally, the office is available to satisfy the needs of new users awaiting arrival of equipment or those who are experiencing malfunction of their equipment. The facility is furnished with computer terminals, a printer, a terminal projector, and a viewing screen. The SAO will be staffed with a full-time NFC employee along with a detailee from the Information Center.

IRM Self-Reviews

In 1986, we saw the emergence of a new concept—agency self-reviews. This new approach to reviews takes advantage of the agencies' expertise and experience with their own systems

and asks the agencies to use that expertise to identify the weaknesses which exist in those systems. The agencies submit summary statements of the systems and information resources they have reviewed, plus recommendations for corrections, to the Office of Information Resources Management. By permitting the agencies to review their own systems, 10 times as many systems are reviewed each year. Those summaries of the self-reviews are also usable as part of OMB's A-123 Management Controls Review.

In 1986, the initial year of this self-review program, 67 review summaries were submitted by 17 agencies, with 6 other agencies either not having completed or delaying 1986 planned reviews until 1987. For 1987, 26 agencies have indicated their intention to conduct self-reviews of their major systems.

Shared Warehousing

The Departments of Agriculture and Commerce are now sharing warehousing functions. The sharing of forms storage and distribution, bulk supplies and program equipment at Washington, D.C., and Kansas City, Missouri, is expected to save over \$4 million annually.

Government Task Group

A task group representing the Departments' major warehousing organizations was formed. Their mission was to identify warehouse locations, study possible consolidations, and take action to reduce Government cost where feasible.

Nearly 1,500 questionnaires were solicited and entered into a data collection program for analysis. Once the data were compiled, the task force focused its attention on large warehousing facilities throughout the United States. Selected sites were visited by the task force to find out whether the facilities were underutilized and, if so, whether they could handle additional work.

The visits also included inquiries about space allocation, modes of



Participants in the signing ceremony: Standing (L to R) are Gary Morino, DOC; Norm MacDonald, USDA; Harolyn Hilliard, USDA; Gerry Tache, DOC; Orval Kerchner, USDA; Frank Proden, USDA; and Jerry Vance, DOC. Seated L to R are: Don Gray, GSA; Kay Bulow, DOC; John Franke, USDA; and Carole Dineen, OMB.

transportation (i.e., motor, rail, air) and, most importantly, the warehouse utilization. Several locations were identified that could manage and handle additional work, one of which was USDA's Forms Warehouse located at Landover, Maryland. This effort will be expanded to include other warehouse functions.

Nationwide Sharing

In a related event, the General Services Administration (GSA), having seen the rewards Commerce and Agriculture will reap by sharing warehousing operations, decided to undertake a nationwide effort to identify warehousing space in excess of 5,000 square feet that could be shared among civilian agencies. They established a Consortium on Warehousing. Agriculture and Commerce cooperated and assisted GSA in the development of this group and the mechanics to capture the information.

Today, GSA has over 450 potential consolidation sites in its database. The Consortium subcommittee is currently reviewing each location for accuracy of information and will identify those cities or locations that can share warehousing facilities.

Unemployment Compensation

Each year, USDA must reimburse the Department of Labor for over \$23 million in unemployment compensation payments made to former USDA employees. USDA studied these payments and found that about 15 percent were incorrect amounts, or were going to people who never worked for the Department.

To tighten up management and cut costs, USDA set up a contract with James E. Frick, Inc., a nationwide firm specializing in handling unemployment claims for private industry. As our agent, the Frick company performs all administrative functions in managing unemployment compensation claims.

It verifies claimants' employment, handles appeals, trains claims processors and managers, and produces management reports.

USDA has 15 agencies participating in this contract, along with the General Services Administration and the Department of Interior. Other Departments and agencies have expressed interest in taking advantage of this service.

The contractor services were fully implemented during FY 1986. Direct savings to USDA agencies, minus payments to the contractor, are now at \$200,000 for a cost/benefit ratio of 24 to 1. Here are the USDA FY 1986 results to date:

Claims	1,546	\$4,366,151
USDA Protested	367	1,036,467
USDA Won	81	228,757
Protest Pending	240	677,798
Appeal Pending	14	39,538
Contractor Cost		8,935
Net Saving		219,822

Productivity Improvement

Office of Management and Budget (OMB) Bulletin 86-08, "Productivity Improvement for the Federal Government," requires Federal agencies to include all appropriate program functions in the Governmentwide Productivity Improvement Program (PIP) by 1992. USDA has compiled a comprehensive Departmentwide listing of all USDA programs and submitted them to OMB. OMB has the responsibility for writing a Governmentwide 5-year PIP plan and will use the program listings of USDA and other Federal agencies to guide their long-range planning efforts. USDA is a member of the OMB task force developing the 5-year PIP plan.

USDA's submission to OMB represented all agencies and staff offices, including those agencies and staff offices whose programs are exempt from the PIP. Programs which OMB has excluded from PIP are those which do not have definitive or measurable outputs, such as basic research or diplomatic reflections. A few agencies may be exempt totally from the program but will be encouraged to continue to pursue opportunities to improve the efficiency and effectiveness of their programs. Many agencies, while not totally exempt, excluded some programs based on OMB's criteria. An objective of the Governmentwide productivity program is the broadest possible coverage of all appropriate functions by 1992. All USDA programs deemed appropriate will eventually be included.

Senate Recognition

In addition to the OMB-directed productivity program, the General Accounting Office (GAO) is directing an effort to nominate successful productivity improvement efforts undertaken by Federal agencies for Senate recognition. The Senate Committee on Governmental Affairs, Subcommittee on Energy, Nuclear Proliferation and Government Processes, will be holding hearings in 1987 to acknowledge Federal agencies that have accomplished outstanding improvements in productivity, either by improving programs or processes. The Subcommittee will explore ways to transfer successful practices to other Federal agencies.

GAO invited USDA to nominate specific initiatives undertaken within the past 5 years which the Department considered worthy of special recognition. USDA nominated the following 10 initiatives for consideration by GAO:

- Joint USDA/Department of Commerce Warehousing Project;
- Delivery of Vehicle Services;
- Acid Test Review Process;
- Forest Service Productivity Improvement Team Program;
- Financial Cross-servicing to non-USDA agencies through the National Finance Center;
- Cost Management Program: Unemployment Compensation;
- Cost Management Program: Workers' Compensation;
- APHIS Consolidation of Administrative Activities in Minneapolis;
- ARS Reorganization of Administrative Activities; and
- Office of Management Reform Accomplishments.

Employee Appeals

In fiscal year 1986, the Employee Appeals Staff initiated an expedited process for the investigation and processing of certain equal employment opportunity complaints through the proposed disposition stage. Highlights of the process include an oral inquiry under oath, the presence of the complainant and agency during the testimony of the investigation, a set period to conduct efforts to resolve the complaint, and finally a draft proposed disposition prepared for the agency's use.

So far, nine cases have been selected for this new expedited process. The criteria for selecting a case include both a limited number of witnesses and all witnesses being at one geographic location. An agency must agree to allow a case to be processed in this manner.

The testimony taken orally is recorded and then transcribed. To this, we add documents that are relevant, and we then index and compile it into an investigative report. We save approximately \$800 per case using this method. In addition, we believe it will cut about 15 days off investigation and about 90 days off agency processing time for cases that go to a proposed disposition.

Trail Riders Take Pride in America

Starting this spring, thousands of motorcyclists will be doing their patriotic best in the National Forests and riding for their country.

That's right! The Department's Take Pride in America Program has reached out to the American Motorcyclist Association (AMA) and proposed a cooperative agreement between the Forest Service (FS) and the AMA to encourage motorcyclists to volunteer their unique services to the National Forests. It's called the "Trail Rider Program," and the USDA hopes

that, from among the millions of Americans who ride their trail-equipped motorcycles for recreation, thousands will volunteer to serve as "trail riders," helping their local National Forests in trail management and other land conservation efforts.

The idea was proposed by *Francis Seng*, OIRM, in a meeting with *Al Wolter*, Deputy Director, Office of Information, FS. Forest Service management supported the idea and encouraged its development. The AMA and the Forest Service met and reached a joint understanding of the proposal.

Consolidated Imprest Fund

On June 2, 1986, 10 USDA Headquarters Imprest Funds were consolidated into one Departmental Consolidated Imprest Fund (DCIF) within the Office of Operations. The consolidation contributed to the Secretary's ongoing effort to streamline and improve delivery of administrative support services and has allowed for the disbursement of cash to employees to reimburse them for small purchases and local travel, more cash travel advances, and widespread issuance of travelers checks to employees. From June through December 1986, the DCIF processed 5,552 small purchase transactions totaling \$191,599, issued 268 travel advances for \$20,693, and issued 2,831 travelers checks totaling \$946,350.

Personnel Management Information Systems

The area of personnel management information systems is a broad one, with few precedents and changing technology. It is also one which crosses over functional lines within personnel and has implications outside the personnel arena. USDA has made significant strides in 1986 and expects to continue to be a leader in this area in 1987.

Position Management System

The personnel community, in conjunction with the National Finance Center, enhanced, modified, and/or developed several innovative features in the USDA payroll/personnel system. The most important new feature was the Position Management System (PMSO). The USDA Payroll/Personnel System had previously been an employee-based system, yielding little position information. PMSO changed the system to a position-based one, and gives agencies more and better information to assist not only the personnel community but also the management community.

Personnel and Payroll Documents

The most far-reaching change involved agencies correcting their own input errors on personnel and payroll documents (SINO). Previously, NFC has been correcting all documents in the suspense file; however, in order to implement PMSO, agencies had to take on the function themselves. More than 120 sites were trained by a cadre of Departmental and agency trainers within a period of 4 months. This effort was fully successful and all agencies were using SINO by PMSO startup.

Motor Vehicle Reforms

Last year the Department began to implement the recommendations in the Productivity Improvement Report on Vehicle Services. The recommendations, when fully implemented, could save approximately \$23 million annually. For FY 1986, the Department:

- Issued directives to USDA agencies on closing of Government owned and operated fuel-dispensing facilities and repair shops. The ultimate goal is to reduce Government cost by approximately \$10 million.
- Liberalized our policy on the issuance of Government Vehicle Operators Identification cards. Agencies now can make their standards fit their needs on who is qualified to operate a Government owned or leased vehicle.

Cost Studies

Implementation of the recommendations was held up because of the Consolidated Omnibus Budget Reconciliation Act (COBRA), which was passed in April 1986. This new legislation requires a detailed cost study of motor vehicles in the Department and a reduction of vehicle expenditures of approximately \$17 million by FY 1988.

The Vehicle Services Task Group, chaired by *Rex Hartgraves*, Forest Service (FS), was reactivated to implement the requirements of the COBRA legislation. Much work was done to impact implementation of the law by the General Services Administration (GSA) and the Office of Management and Budget (OMB). A study was conducted to review underutilized vehicles. As a result, approximately \$677,060 was saved through improved utilization and elimination of unneeded vehicles. A review was conducted of the Washington metro shuttle services which resulted in a reduction/consolidation of a significant number of shuttle runs, reducing agency costs.

Acquisition Disposal

GSA gave its approval for the FS, Ochoco National Forest, to pilot a test of agency acquisition and disposal of motor vehicles. The pilot is designed to determine how well an agency can operate its fleet without help of a central agency. If the pilot results in cost savings, GSA may consider expanding the pilot study.

Facilities Management

On October 1, 1984, USDA officially assumed control of its five-building Headquarters Complex. Up to that time, the General Services Administration (GSA) had been responsible for the operations and maintenance of the buildings. For various reasons, many beyond the control of GSA, the buildings had deteriorated to the point that over \$70 million in needed life-safety repairs were identified at the time of the delegation of authority. Since that time, the Office of Operations has made significant improvements in the

environment of the complex. Major work environment improvement projects completed in the past year include replacement of roofs, sidewalks, and air handlers, and the repaving of driveways. In addition, over 600 minor repair projects were completed, all of which were essential to provide a safe work environment and/or restoration of the buildings to historical standards.

Lower Costs/Improved Services

Significant improvements have also been made in each of the areas of cleaning, operation, maintenance and repair by emphasizing productivity, more effective contract management, and an aggressive cost containment program. When USDA assumed delegation, the cost of these basic services was \$430,720 per month. The cost for the same services today is \$365,649 per month, a reduction of \$65,071 a month. Even more important is that these savings have been realized while service has been improved and the quality of the environment for the occupants made safer, cleaner, and less disruptive. In the maintenance and repair area, USDA negotiated a new performance-oriented contract that eliminates major risk to the contractor and provides incentives for high levels of performance. This, plus a more positive approach to contract management, has resulted in significant savings in the operation and maintenance area. Basic service costs have been reduced from \$217,728 per month to \$134,871, a 38-percent reduction. Meanwhile, the savings from basic service cost reductions have been channeled into a minor repair program which has grown from a GSA level of \$5,000 a month to the current \$125,000 a month. These changes have significantly increased the appearance and operational quality of the environment while reducing shutdowns and emergency repairs.

Cleanliness and Sanitation

Two years ago, more than 50 percent of the complaints from the complex occupants were associated with cleanliness and sanitation. Here also USDA replaced the old contract



Before and After

with one using performance based qualifications, and instituted an aggressive yet positive management approach. USDA added 26,000 square feet of space to the cleaning program, increased the policing of over 130 bathrooms, and is currently testing newer and more sanitary methods for the cleaning program. Because of this effort, the number of complaints concerning cleaning have been reduced to less than 3 percent.

Rehabilitation/Rehire Program

Under USDA's Rehab/Rehire Program, former employees who can return to work are offered jobs. If they refuse, they may be removed from the benefit rolls. Last year, USDA field managers identified 737 former USDA employees that met the requirements of our Rehab/Rehire Program.

Of the 417 former employees who returned to work, 316 went to other employers. A majority of these were already looking for jobs and were further motivated by USDA's inquiries into their situations. The remaining 101 former employees were rehired by USDA. To bring them back, we used 78 existing vacancies and 23 of the full time equivalent (FTE) exemptions granted by the Office of Management and Budget (OMB).

Most of the 88 who rejected USDA's job offer did so because they had other means of support and were reluctant to give up hobbies or other activities to go back to work.

Retirements accounted for 232 removals from the benefit rolls. Some took disability retirements, but most had sufficient age and service to take regular civil service retirement.

The real utility of the 500 FTE exemptions granted by OMB was in the motivating impact they had upon USDA field personnel. Once these managers were made aware of the degree of OMB's support for the Rehab/Rehire Program, they made better management of workers' compensation cases a top priority.

NFC Systems Access

The concept of electronically accessing the National Finance Center (NFC) maintained systems, via use of a state-of-the-art telecommunications network and compatible automated data processing (ADP) equipment, was first introduced in 1983. Since that time, the number of users and available systems has increased significantly. The Payroll/Personnel System was the first electronically accessible system offered to users for electronic transmission of

payroll/personnel data. Originally, only three sites utilized this method of processing payroll data, compared with 280 user sites in 1986.

Many advantages are realized through the use of electronic access. Redundant clerical steps are eliminated, and the use of front-end edits significantly reduce the number of errors in submitted data. This cleaner data results in a markedly lower processing error rate.

Time and Attendance

Last year the Time and Attendance Remote Entry (TARE) System became operational. The new Personal Computer TARE software was implemented allowing users to enter and transmit Time and Attendance (T&A) reports to the NFC from any IBM-compatible personal computer. During the year, the percentage of T&A reports submitted electronically escalated from 20.7 to 48.6 percent of all reports.

Purchase Orders

Another innovation in the electronic access environment was the pilot project of the Purchase Order System (PRCH). Until the completion of the reconfiguration of PRCH to a data base design, use of a software package is necessary to provide for online data entry and suspense

correction of PRCH's sequential files. Utilizing the KEYFAST software package, the NFC expanded the online inquiry and entry process for purchase orders to remote users. These remote users will provide crucial input into the evaluation of the pilot project.

Online Corrections

The Suspense Inquiry and Correction System (SINQ) was expanded during the year to include all payroll/personnel employing offices. Now available to every user of the Payroll/Personnel System, SINQ provides agencies with the capability of making online corrections from remote sites. Documents failing automated edits are corrected from agency field locations. This facilitates personnel processing activities and provides users with greater access and control of data. SINQ expansion was completed by October 1, 1986.

Another improvement of electronic system accessibility was the implementation of the Remote Forms Queuing System which allows users to request special forms and report outputs. The data is remotely transmitted to the destination assigned to the user.

Debt Management

USDA has almost 40 percent of the total debt owed to the Federal Government. As of June 30, 1986, \$145.9 billion was owed to USDA, of which \$10.8 billion was delinquent. To help reduce the debt, the Farmers Home Administration (FmHA) now uses 150,000 credit reports per year to screen applicants for single family housing loans and collects a \$20 nonrefundable credit report fee from loan applicants. The FmHA Rural Housing Program participated in the initial pilot of the Internal Revenue Service (IRS) income tax refund offset project which offset 1986 income tax refunds. Additionally, FmHA referred approximately 5,000 accounts and realized collections of over \$1.2 million.

USDA referred over \$640 million in delinquent debts to private contractors for collection action. Almost 1 million commercial accounts have been

referred to credit bureaus by the National Finance Center, the Rural Electrification Administration, FmHA, and the Federal Crop Insurance Corporation. Current activities include continued implementation/expansion of the above initiatives and "new" initiatives. The latter includes expanded use of the IRS income tax refund offset initiative, selling of Government portfolio, assessment of penalties and administrative costs on delinquent debts, and expanded use of the Governmentwide collection contract awarded by the General Services Administration.

NFC Honored

Malcolm Baldrige, Secretary of Commerce, distinguished the National Finance Center (NFC) with the Department of Commerce (DoC) Secretary's Special Medal at their 38th Annual Honor Awards Ceremony on November 20, 1986, in Washington, D.C.

The NFC was cited for demonstrating unusual dedication, serviceorientation, and commitment to the project of converting DoC to the USDA Payroll/Personnel System. By fulfilling the pledge to provide high-quality host-agency support and service, the NFC has enabled DoC to achieve administrative improvements of the highest order.

Secretary Baldrige and Kay Bulow, Assistant Secretary for Administration, DoC, were present at the ceremony to confer the award on Clyde McShan, who accepted on behalf of the NFC.

Receiving this honor is an especially significant achievement since the NFC is the first organization outside of DoC to be presented such an award.

Cross-Servicing

In support of the initiatives of Reform '88, the Office of Finance and Management's National Finance Center (NFC) provides program and support services to other Federal

agencies. Known as cross-servicing, the NFC offers a full range of services including payroll and personnel processing, administrative payments, accounting, billings and collections, and property management. The Center is responsible for processing payments, maintaining management information, and producing a variety of reports and accounting data related to the management of financial and human resources.

Increased Benefits

Governmentwide, the sharing of systems and expertise reduces personnel and operating costs. Cross-servicing benefits both the USDA and the client agency. USDA agencies realize a decreased share of fixed expenses and developmental costs as well as benefit from the additional economies of scale. Other Federal agencies avoid the costs of developing their own systems and enjoy reduced operating expenses. For example, officials from the Department of Commerce have estimated that by securing NFC services in payroll/personnel processing, they have avoided expending \$10 million to build their own payroll/personnel system. Additionally, Commerce will save over \$1 million each year in payroll/personnel processing costs.

In 1986, a total of \$2 million in cross-servicing agreements was negotiated. The net impact on the Federal Government for USDA's cross-servicing activities was savings estimated at \$1.2 million. USDA agencies saved \$400,000 in fixed-costs because of these agreements. Other Federal agencies cross-serviced by the USDA saved \$800,000 in processing costs. These savings were derived through reductions in staff-years and from the use of more efficient processing systems.

Expanded Services

Cross-servicing activities at the NFC have grown rapidly. Since 1983, the NFC has successfully converted the Department of Education, the Merit Systems Protection Board, the Department of Commerce, the Federal Mine Safety and Health Review

Commission, the United States Information Agency, the National Endowment for the Arts, and the Appalachian Regional Commission to a range of NFC-provided systems. Additionally, the NFC is developing a Thrift Savings Plan System to perform the recordkeeping function for the new Federal Employees Retirement System for all civilian employees. This development is being financed by the Federal Retirement Thrift Investment Board.

Further growth in cross-servicing is expected. Letters of Intent to use NFC services have been received from the Smithsonian Institution, the Federal Deposit Insurance Corporation, ACTION, and the General Accounting Office.

CAS Enhancements

In an effort to improve the quality of accounting services and reduce associated costs, the National Finance Center (NFC) has made several enhancements to the Central Accounting System (CAS). A major improvement was the conversion of the operation of the system to CAS from Honeywell to IBM computer equipment. While the CAS had operated on Honeywell equipment since 1978 with a high degree of user satisfaction, expanding ADP technology and the need for greater user access to their accounting data necessitated the change of equipment. Additionally, operating two separate and distinct mainframe computers and supporting systems had become too costly. These factors made the migration to IBM equipment crucial. Full conversion was completed in December 1986 and will save an estimated \$1.9 million annually.

Accounting Data

A second CAS enhancement is the expansion of the Central Accounting Data Base Inquiry System (CADI). Developed to allow users to access their accounting data, CADI provides users with online query capability for

retrieval of information regarding their transactions processed via the major feeder systems. CADI is designed to update the budget master on a weekly rather than monthly basis. Additionally, ad hoc reporting capabilities and retrieval programs allow agencies to develop reports to meet their own specific needs.

Departmentwide Data

The development of the Departmentwide Financial Information System (DFIS) is the third major CAS enhancement. DFIS is an online data base management system capable of providing standardized Departmentwide general ledger information including accounting data for program and administrative funds. Phase I, implemented in May 1986, established a data base for use in establishing a Departmentwide financial system. A second phase, now under development and scheduled for implementation in May 1987, will furnish the Office of Management and Budget and the Department of Treasury with needed information eliminating the need for USDA agencies to produce printed reports. A third and final phase slated for implementation in October 1988 will include a full decision support system.

Cash Management

USDA is focusing increased attention on the acceleration of receipts (the expeditious billing, collecting, and depositing of receipts), the timely disbursement of payments (the scheduling of payments on due dates, not early or late), and the investment of any temporary excess cash balances. Efforts to date include:

- increased cash collections, electronic transfer of funds, expeditious deposit of receipts, and reduction of interest payments;
- disbursement of payments earlier than the due date, resulting in total interest savings since 1983, of \$8.9 million;
- issuance of about 40,000 travel credit cards, thereby reducing outstanding travel advances and saving \$726,000;

- use of Concentration Banking Systems, resulting in savings since August 1984 of \$24.6 million;

- use of electronic fund transfer systems for collections and disbursements, resulting in interest savings since August 1983 of \$31.0 million;

- use of lockboxes to collect receipts, resulting in interest savings since October 1983 of \$1.5 million;

- USDA policy for making dairy support payments, resulting in interest savings since October 1984 of \$1.8 million; and

- charging applicants a fee to cover the cost of credit reports, resulting in savings since November 1984 of \$1.7 million.

Payroll/Personnel Enhancements

The Payroll/Personnel data base processes over 40 types of documents to initiate actions such as accessions, separations, promotions, address changes, savings bonds deductions, and tax deductions. The system also computes employees' pay in more than 38 different pay plans and accommodates electronic transfers of funds to Government and private organizations. Additionally, the system has vast reporting capabilities to satisfy numerous client agencies, taxing authorities, insurance carriers, and other Government entities.

Biweekly, the National Finance Center (NFC) processes payroll/personnel transactions for over 130,000 employees. During several pay periods, a record high 99.99 percent of all employees were paid on the primary schedule. An overall average of 99.97 percent paid on the primary schedule was achieved.

Major enhancements to the Payroll/Personnel System include the introduction in October 1986 of a new Position Management System (PMSO). Functioning as a position-oriented rather than employee-oriented system,

PMSO provides its users with complete control over their position data. The system allows personnel specialists and managers to access information previously compiled manually thereby allowing them to work more efficiently.

A second major accomplishment in the Payroll/Personnel processing area was the elimination of emulation of second generation computer programs. The NFC rewrote 65 programs which had continued to run via an emulation feature. With this rewrite, all payroll/personnel programs are now written in modern programming languages. Successful completion of this initiative allowed the release of obsolete computer equipment resulting in a savings of approximately \$100,000 in maintenance costs.

In April 1986, the NFC introduced the Payroll Accounting Subsystem (PACS). PACS substantially reduces processing time due to the use of state-of-the-art data base technology and the elimination of massive amounts of magnetic tape handling. PACS also builds in an automated reconciliation process to identify any out-of-balance condition between data in the incentive awards payment subsystem and PACS. Additionally, PACS allows invalid accounting data to be corrected via an online process.

Voice Mail Pilot

The Office of Information Resources Management has initiated a voice mail pilot. Voice mail is a computer-based voice messaging system whereby an individual has the ability to communicate with other users by leaving voice messages in their "mailboxes" and by retrieving messages that have been left in his or her own mailbox. Voice mail can be accessed via any touchtone telephone at any hour of the day or night. Voice mail also has a call answering feature which enables persons not on the system to leave messages. Experience gained during the pilot will help to determine Departmental voice mail policy.

NonProcurement Debarment and Suspension

On February 18, 1986, President Reagan signed Executive Order 12549 authorizing a Governmentwide system for nonprocurement debarment and suspension. The Governmentwide system is being established to prohibit grantees debarred or suspended by one Department from simply shifting their dealings to another Department.

In April 1986, the Office of Finance and Management (OFM) formed a task group made up of USDA agency representatives to work on development of the USDA system. The major issues being addressed by the group are development of Departmental regulations and guidelines, establishment of adequate due process procedures, and distribution and/or automation of the Governmentwide list of participants. OFM's goal, in working with the group, is to try to be responsive to the needs of the agencies while still developing a system that is effective and fair.

Information Locator System

The Departmental Information Locator System (DILS) provides a tool to help improve the management of information resources within USDA. It contains management information on the following resources: automated data processing equipment, common-use software, directives, forms, information systems, and reports. DILS supports nationwide access to the data base located at the Kansas City Computer Center.

The System is designed for online data entry and updating, online queries, and production of various management reports. In addition to maintaining inventories of the six resources, other uses of the system are to identify duplication or overlapping, identify resources that can be shared by other agencies, and satisfy internal and external reporting requirements.

Information Resources Management is not unique to the Department, but a Governmentwide activity. Therefore, although DILS was developed for USDA, it has the potential for use by other Departments under cross-servicing agreements.

Streamlining Federal Assistance

The Office of Finance and Management (OFM) has initiated an across-the-board review of USDA's Federal Assistance rules and policies.

A mid-1986 USDA study indicated that there was a high level of interest in deregulating and simplifying the Department's Federal Assistance Program. OFM, subsequently, established a Task Group to review USDA's overall Federal Assistance efforts. The Task Group was organized into three teams according to the stages of Federal Assistance. The subteams covered the more specific areas of pre-award, award, and post-award requirements in Federal Assistance.

Each team developed a detailed work plan that included the joint preparation of a Federal Assistance use survey of the Department. The survey specifically asked the agencies to identify their Federal Assistance programs, the administering authorities, problems, and recommendations for change. Fifteen of the sixteen USDA agencies surveyed responded.

The teams have now analyzed the survey results and prepared summary reports with problems and recommended actions. Preparation of the final report is now in progress.

Part of the review also covered the handling of State correspondence under Executive Order (E.O.) 12372, "Intergovernmental Review of Federal Programs." Several recommendations for reducing paperwork and costs were made and implemented. Other recommendations will be considered after being published in the *Federal Register* for public comment.

Salary Offset

In 1986, final USDA regulations effecting salary offset were published in the *Federal Register*. These regulations were developed in cooperation with the Office of Finance and Management and the Office of General Counsel. The salary offset regulations are being used to collect debts owed USDA by Federal employees. Additionally, a task group drafted internal procedures that have been sent to the agencies for comment. After receiving agencies' input and completion of the procedures, implementation will provide another tool to improve the effectiveness and efficiency of USDA's debt collection system.

Telecommunications Service Office

The Telecommunications Service Office (TSO) maintains ongoing telephone system management, administrative, and logistic activities for all Washington, D.C., area USDA agencies. The TSO trouble shoots local telecommunications problems and coordinates installation and repairs. During the past year, the TSO processed over 4,500 service orders and 3,700 trouble calls, and provided personnel locator service for over 42,900 inquiries.

DEPNET

Efforts to enhance data communication services throughout the Department have included the implementation of satellite technology. During this year, as part of our contract for the Departmental Data Network (DEPNET), we successfully arranged for the installation of 250 Very Small Aperture Terminals along with accompanying satellite service. This has a potential savings of approximately \$5 million over using traditional leased circuits for the remaining life of the contract.

